

11 KAR 5:170. Refund and repayment policy.

RELATES TO: KRS 164.748(4), (8), (12), (14), 164.753(4)(a), 164.7535, 164.780, 164.785
STATUTORY AUTHORITY: KRS 164.748(4)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 164.748(4) requires the authority to promulgate administrative regulations pertaining to the awarding of grants, scholarships, and honorary scholarships as provided in KRS 164.740 to 164.7891. KRS 164.753(4) requires the authority to promulgate administrative regulations pertaining to grants. This administrative regulation establishes the apportionment of financial assistance refunds from institutions and repayment from students due to the KHEAA grant programs.

Section 1. (1) A student who fails to enroll, withdraws, is expelled from the institution, or otherwise fails to complete the program on or after his first day of class of the period of enrollment or changes enrollment status may be due a refund of monies paid to the institution on behalf of that student or may owe a repayment of cash disbursements made to the student for educational expenses.

(2) If the student received financial assistance administered by the authority, all or a portion of the refund and repayment shall be due to the authority for its financial assistance programs in accordance with Sections 2 and 3 of this administrative regulation.

Section 2. (1) The institution shall adopt and implement a fair and equitable refund and repayment policy for financial assistance administered by the authority which shall be:

(a) A clear and conspicuous written statement;

(b) Made available to a prospective student, prior to the earlier of the student's enrollment or the execution of the student's enrollment agreement, and to currently enrolled students;

(c) Consistently administered by the institution; and

(d) Made available to the authority upon request.

(2) The institution's refund and repayment policy for financial assistance administered by the authority may use the same methods and formulas for determining the amount of a refund or repayment as the institution uses for determining the return of federal financial assistance funds or the institution may adopt a separate and distinct policy that is based upon:

(a) The requirements of applicable state law; or

(b) The specific refund standards established by the institution's nationally recognized accrediting agency.

(3) The amount of the refund and repayment shall be determined in accordance with the educational institution's refund and repayment policy relative to financial assistance funds, except as provided in Section 3 of this administrative regulation.

(4) When the institution determines that a refund or repayment of financial assistance is due in accordance with its policy, the institution shall allocate to the financial assistance programs administered by the authority the refund and repayment in the following descending order of priority prior to allocating the refund to institutional or private sources of financial assistance:

(a) CAP Grant;

(b) KTG;

(c) Go Higher Grant;

(d) Teacher Scholarship;

(e) Kentucky Educational Excellence Scholarship;

(f) Kentucky Coal County College Completion Scholarship;

(g) National Guard Tuition Assistance; and

(h) Early Childhood Development Scholarship.

Section 3. If a KHEAA grant recipient officially or unofficially withdraws from or is expelled by an institution before the first day of classes of the award period, the award shall be deemed an overaward and a full refund or repayment of the KHEAA grant shall be required, notwithstanding any institutional policy to the contrary. If the institution is unable to document the student's last date of attendance, any KHEAA grant disbursement for that award period shall be subject to full refund and repayment. If, at any time, a KHEAA grant recipient's enrollment is terminated with no assessment of tuition and fees by the institution, then the full KHEAA grant shall be subject to cancellation, if not yet disbursed, or refund and repayment if the grant has already been disbursed.

Section 4. (1) The institution shall remit to the authority the amount of funds allocated from the refund amount to the financial assistance programs administered by the authority as soon as possible but no later than thirty (30) days after the end of the term in which the student ceased to be enrolled.

(2) Refunds by the institution and notification of student repayment due transmitted to the authority shall be accompanied by:

- (a) The student's name and Social Security number;
- (b) The reason for the refund or repayment;
- (c) The date of enrollment status change;
- (d) The semester and year; and
- (e) The calculation used for determining the refund or repayment. (15 Ky.R. 1607; eff. 2-3-1989; 18 Ky.R. 3483; eff. 8-1-1992; 21 Ky.R. 448; eff. 10-6-1994; 27 Ky.R. 3308; eff. 8-15-2001; 41 Ky.R. 834; 1497; eff. 2-6-2015; Crt eff. 9-28-2018.)